# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:1918
ANSWERED ON:13.03.2007
FLUCTUATIONS IN PRICES
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government has appointed a Committee to study the fluctuations in prices and other issues related to rubber, coffee, tea and spices of the country;

(b) if so, whether the Government has received the report from the said committee;

(c) if so, the details of the recommendations made therein;

(d) whether the insurance cover is presently available in the plantation sector;

(e) if so, the details thereof and if not, the reasons therefor;

(f) whether the Government has any proposal to extend the accident insurance cover to all workers engaged in the plantation estates;

g) if so, the details thereof; and

h) if not, the steps taken/proposed to be taken to implement weather-linked insurance cover for the plantation sector particularly coffee, to protect the small scale farmers and ensure stability of prices of cash crops?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (c): The Department of Commerce constituted a Task Force for undertaking a study to evolve a mechanism to protect the growers of tea, coffee, rubber and spices from adverse effect of price volatility in the Plantation sector, the feasibility of making direct compensation to the growers for the losses suffered by them, the feasibility of introducing an instrument which enables the growers to park surplus funds during good crop years and offers market related interest rate, the feasibility of a risk management support mechanism to small growers to mitigate the effects of adverse weather and pest related risks etc. The Task force submitted its report on 30th January, 2007. The major recommendations of the Task Force include

(i) introduction of insurance crop scheme in certain crops in preference to a price risk cover,

(ii) introduction of enlarged personal accident cover and cover for individual assets of the growers as well as the permanent workers,

(iii) creation of infrastructure facilities in plantation areas to give better accessibility to the growers by way of introduction of Plantation Development Bonds,

(iv) reduction of interest rates on crop loans at refinance rates of NABARD,

(v) strengthening Price Stabilisation Fund Trust (PSFT) to enable it to play a pivotal role in the scheme of things, etc.

(d) to (e): As far as Rubber and Tea are concerned, crop and/or garden/factories insurance cover is already in force to set off the damages due to natural calamities such as fire, lightning, wind, flood, hailstorm, landslide etc. either through the Board or directly by the growers themselves.

(f) to (h): Though in some of the plantation sectors like Rubber, Group insurance scheme covering personal accident insurance is already available, the Task Force has recommended for personal accident cover to the growers/ permanent workers in entire Plantation industry.